



#### HAYES COSTCO IS ON FORM

Based on early results, it looks like Hayes will be one of our best-performing branches

– Steve Pappas, MD, Costco UK



**Reynolds: pre-tax profits up 105% to £2.8m**

## New contracts boost profits at Reynolds

Reynolds Catering Supplies has posted a 105% increase in full-year profits after targeting new business that fitted in with its existing distribution network.

In accounts filed at Companies House, the foodservice operator said profits rose from £1.4m to £2.8m in the year to 31 December 2013. Sales jumped 14.1% to £178.5m.

Reynolds said it had also benefited from adding “significant” larger contracts to its overall customer base.

# Costco plans for future with new DC in Crick

#### Andrew Don

Costco is to open a new purpose-built distribution centre next year as the US-owned wholesaler expands its UK footprint.

UK MD Steve Pappas said Costco had outgrown its Lutterworth, Leicestershire, distribution centre and would move to a new site in Crick, Northamptonshire, about 10 miles away with a view to opening “some-time next year.”

The Crick site will be a cross-dock depot of about 377,000 sq ft, expandable to more than 500,000 sq ft, and is located on a 62-acre site. It was “ideal” because of its central location and proximity to the M1, Pappas said.

“Our investment in the new facility will



**Costco: Opened its first forecourt, in Liverpool, in June**

support our cash & carry business as well as our growing e-commerce fulfilment needs well into the future,” he added.

The move comes as Costco is stepping up its UK activities more generally.

It opened its 26th UK depot in Hayes on 21 August, which had

set a new record for pre-opening sign-ups and achieved the highest opening day sales in Costco UK’s history, Pappas said.

“Based on early results, it looks like this will be one of our best-performing branches.”

He added he expected its planned depot in

Wembley to open “some-time before Christmas,” and Sunbury next summer.

Costco opened its first forecourt, in Liverpool, in June. Pappas would not commit to the number of forecourts that would follow Liverpool, but said: “We think this is a business where we can provide Costco members with meaningful savings and added convenience.

“We are monitoring results in Liverpool and considering additional locations where space and planning permit.”

He also said Costco was seeing “good incremental sales increases” online, particularly in non-food. “I’m optimistic about the future of our e-commerce business.”

## JJ Food Service goes upmarket with wider premium ranges

JJ Food Service, Wholesaler of the Year in The Grocer Gold Awards 2014, is making a move upmarket by targeting gastropubs, restaurants and hotels.

The Enfield foodservice operator, which has eight depots, majors on fast food, schools and local authorities but plans to triple its field sales force over the next six months to widen its customer base. It will also launch new own-label gluten free lines, source fresh products from local and



**JJ Food Service: “We are looking to go up a level”**

sustainable suppliers and provide online ordering.

“We are well known for supplying the fast food sector so we are looking to go up a level,” said JJ Food Service group general manager Terry Larkin. “There is an

opportunity for more premium products.

“We are spending a lot of time and effort in sourcing the right product and spending a lot on advertising and extra training,” he added.

Chief product officer Ali Guvemli said by adding new ranges of fresh lamb, beef and poultry “that are Red Tractor, Eblex and/or animal welfare approved, as well as new gluten-free items, we anticipate increasing market share from 3% to 5%, mainly to the independent sector.”

## Imperial and JTI up display ban support

Imperial Tobacco and JTI have both increased their support to retailers ahead of the tobacco display ban for small shops in April next year.

Imperial Tobacco has increased its investment in installing its compliant fixtures, while JTI has launched a new trade website. Imperial said 17,000 shops would have its ‘best in class’ solution installed ready for 6 April 2015. Installers would visit retailers from September.

JTI’s new website, jti-advance.co.uk, includes



**The display ban kicks in for small shops next April**

features such as a margin calculator, training guides and downloadable pdfs. JTI said the site had been developed with retailers for retailers, and would complement the face-to-face contact provided by its sales force.